

Virginia Enterprise Zones

2011

Job Creation Grant Instruction Manual



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AND COMMUNITY DEVELOPMENT
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ABOUT THIS MANUAL

This manual provides instructions for qualifying for the Enterprise Zones Job Creation Grant. It has been compiled for the applicant (the business firm) and addresses the applicant's responsibilities in completing the application materials.

Specific icons have been used throughout the manual to provide user-friendly instructions. Frequently asked questions have been included within each grant section and are denoted by a question mark symbol (?) within a text box. Additionally, important definitions, guidelines, and reminders are also emphasized in highlighted text boxes. Snapshots of the actual application forms are pasted within the manual to provide step-by-step instructions for each component of the application. Details pertaining to each grant's required form have been indicated by the following symbol:  Lastly, for your convenience, key terms have been hyperlinked to their corresponding definitions in the glossary provided at the end of each grant section. Please note that the terms included in the glossary are defined by statute and regulation and must be followed.

The business firm representative is expected to complete all the required application components and then have an independent Certified Public Accountant (CPA) (licensed in Virginia) attest to the application material. For specific information on whether one's CPA can attest to the application, see the text box on page 22.

The Job Creation Grant information is organized as follows:

- An overview of the grant amount and eligibility criteria
- General limitations
- Preliminary information for applicants to gather
- Step-by-step instructions for completing the required application and attachments with snapshots of actual forms

NEW THIS YEAR

Under Internal Revenue Service regulations, your grant award(s) may be considered taxable income. A 1099 will be issued to all Enterprise Zone grantees for the grant awards you receive beginning with grant year 2011 (paid out in 2012), as seen on page 7.

Beginning with grant year 2011, business firms applying for Job Creation Grants (JCGs) with base year employment of 100 or fewer permanent full-time positions and create 25 or fewer grant eligible positions as provided for in § 59.1-547 of the Code of Virginia are exempt from the attestation requirement for that qualification year. Exemption eligibility must be determined each year the firm seeks to qualify for the JCG. This does not exempt the firm from completing the required Job Creation Grant Worksheet. The worksheet **must be** completed each year the firm seeks to qualify for the JCG. The worksheet calculates employment and wage data to determine the grant amount.

DHCD staff will monitor these firms each year they receive a JCG grant beginning with the 2011 grant year and will follow the procedures outlined in the CPA Attestation Manual, which is available at www.dhcd.virginia.gov. All Real Property Investment Grant applications must be attested according to the CPA Attestation Manual

Code of Virginia §59.1-547, *Enterprise zone job creation grants*, reduces the wage-rate qualification threshold for \$500 grants in high unemployment areas (HUAs). This allows otherwise eligible businesses in high unemployment areas paying 150% of the federal minimum wage or \$10.88 to receive grants. High unemployment area zones are listed below. This list is updated twice a year; once prior to the qualification year and once during the qualification year as updated data becomes available from the Virginia Employment Commission.

Note: **Changes have been made to the JCG, HUA Worksheet** in regards to wage calculations for firms with qualified employees in HUAs. If you are located in one of the HUAs listed below, please see [Appendix A](#) with further information and instructions.

When converting salaries to wage rates please refer to the revised definition of **wage rate** and use **1,820 hours** for the calculation.

2011 Enterprise Zone Grant Application	
High Unemployment Areas (HUA)	
Brunswick County - Zone 32	Martinsville City - Zones 36 & 54
Carroll County - Zone 27	Mecklenburg County Zones 38 & 56
Chilhowie Town - Zone 51*	Patrick County - Zone 22
Clarksville Town - Zone 56	Petersburg City - Zones 10 & 47*
Covington City - Zone 53*	Pittsylvania County - Zone 57
Danville City - Zones 1 & 57	Pulaski County Zones 25 & 40
Franklin City - Zone 18*	Pulaski Town - Zone 41
Halifax County - Zone 15	Saltville Town - Zone 51
Henry County - Zones 36 & 54	Smyth County - Zones 6 & 51*
Hillsville Town - Zone 27	South Boston Town - Zone 15
Hopewell City - Zone 9	South Hill Town - Zone 38
LaCrosse Town - Zone 38	Stuart Town - Zone 22
Lawrenceville Town - Zone 32	Wythe County - Zone 11
*The following communities in joint zones are NOT HUAs: Allegany County, Dinwiddie County, Southampton County, Washington County, Clifton Forge Town and Glade Spring Town and businesses in these communities are not eligible for the reduced wage threshold. Source: DHCD based on the LAUS Unit and Bureau of Labor Statistics 2009 Annual Virginia Unemployment Report (May 2011)	

Additional Publications Regarding Grant Application Process

This manual covers the qualification information and submittal process for the Job Creation Grant. A separate manual is available for the Real Property Investment Grant and can be downloaded from <https://dmz1.dhcd.virginia.gov/EZApplication/>.

In addition to the grant manuals, a separate document on the Agreed upon Procedures for CPA's compiling the CPA Attestation Report Form is available online <https://dmz1.dhcd.virginia.gov/EZApplication/>. The CPA Attestation is a statutory requirement and **must accompany** all Job Creation and Real Property Investment Grant application submittals with the exception of firms made exempt by statutory changes to § 59.1-547. Firms exempt from the attestation report will still be required to complete the JCG Worksheet.

Also, contact information for the Local Zone Administrator for each designated Enterprise Zone is available online at <https://dmz1.dhcd.virginia.gov/EZApplication/>.

ENTERPRISE ZONE GRANT QUALIFICATION PROCESS

Enterprise Zone grants are subject to an annual appropriation by the General Assembly. Job Creation Grants receive funding priority. After fully funding the JCGs the remaining funds will be allocated to the RPIGs and the amount paid to each RPIG applicant will be pro-rated proportionally should the grant requests exceed the remaining amount of funding

Submittal Requirements

Applicants must submit the appropriate grant application form and all required attachments to DHCD by no later than the close of business on April 2, 2012.

The CPA Attestation Report Form is required for application processing and must be submitted with all other application materials by the April 2nd deadline. Applicants must send original application materials using one of the following mechanisms: 1) United States Postal Service certified mail, return receipt requested and postmarked no later than April 2nd; 2) UPS, Fed Ex or other services where shipping can be tracked with a shipped date no later than April 2nd. Hand delivery is accepted but not preferred and must be received by DHCD by the close of business on April 2nd.

Business firms with base year employment of 100 or fewer permanent full-time positions and create 25 or fewer grant eligible positions seeking to qualify for job creation grants are not required to submit the CPA Attestation report. **All other JCG and RPIGs attestation reports must be submitted by the April 2nd deadline.**

Any applications submitted without the required CPA Attestation Report Form or those submitted after the April 2nd deadline (but before May 15, 2012) will be considered a **late application**. Such applications are held until DHCD determines that funds remain and it will not have to prorate grant awards. At such time, DHCD will review and process such applications on a first come, first served basis.

Submittal of Multiple Applications

If submitting more than one application (for example, a Job Creation Grant and Real Property Investment Grant application), **each grant application and required materials must be sent in separately via certified mail, return receipt requested.** Due to the high volume of grant applicants, DHCD cannot guarantee proof of the receipt of each application when multiple applications are submitted together unless a cover letter listing each submittal is included in the package.



Online Submittal - Required

Firms and Zone Investors are required to submit electronic applications. If you do not have online access, please contact DHCD immediately. Online applications offer an auto-calculation option and enable a more efficient processing of applications. The online system is equipped with links that guide applicants through the application and includes reminders and clarification on common mistakes.

Firms and zone investors will receive email confirmations to keep the applicant informed throughout the submittal process and to bring any submittal issues to the applicant's attention prior to the applicable deadline. The online applications must be submitted to

DHCD by no later than Midnight, EST of April 2, 2012. When applications are submitted electronically, the **required signed hard copy and all other referenced materials must also be submitted by the April 2nd deadline.** Applicants are able to print the completed application as part of the online submittal process, sign, add any additional required documentation, and mail to DHCD.

All applicants will receive confirmation emails in the following order:

1. *Successful submission of the online application*

This email will indicate the date and time of the submittal and will also include a reminder to print the application and send in the signed hard copy and all other required materials (including the CPA Attestation Report Form) by the April 2nd deadline. DHCD recommends applicants print and keep a copy of the email with their grant records. If you do not receive this e-mail within 5 business days contact DHCD immediately.

Due to the increasing volume of applications DHCD receives each year, we recommend that applicants rely on the email confirmation system rather than phone inquiries regarding an application's status. In the case in which an online application or hard copy was submitted and the applicant does not receive an email confirmation within **5 business days**, please contact DHCD regarding the status of the application.

2. *Receipt of hard copy of application and other required materials (Only if items are submitted by deadline of April 2.)*

Once a hard copy of the application and other required materials are received, an email will be sent to the applicant stating the date of receipt. DHCD recommends applicants print and keep a copy of the email with their grant records.

Lastly, DHCD will notify applicants by May 15th for cases in which additional information is required due to application deficiencies. Once the applicant provides the additional information requested, a final email will be sent to the applicant confirming DHCD's receipt of the requested material.

DHCD reviews all applications for completeness. **Please keep in mind that DHCD is unable to pre-qualify any applicants or review applications on-site.**

The timeline for the Job Creation Grant and Real Property Investment Grant application review is as follows:

2011 Enterprise Zone Grant Timeline	
▪	April 2, 2012 —Applicant submits application materials to DHCD
▪	May 15, 2012 —DHCD notifies applicant of deficiencies
▪	June 1, 2012 —Applicant resubmits, if necessary, and deficiencies have been resolved
▪	June 30, 2012 —DHCD notifies applicant of qualification
▪	July, 2012 —Virginia Department of Treasury sends Enterprise Zone Grant check to applicant

TAXABILITY OF GRANTS

Under Internal Revenue Service regulations, your grant award(s) may be considered taxable income. A 1099 will be issued to all Enterprise Zone grantees for the grant awards you receive beginning with grant year 2011 (paid out in 2012). If you have any tax related questions, please contact your tax professional for guidance.

If a grant applicant has any type of outstanding liability to the State (such as an outstanding tax liability), the awarded grant amount will be automatically reduced by the dollar amount of the liability. DHCD does not have records of any potential liabilities for a specific entity/individual, as this process is handled outside the agency. If a qualified zone investor or business firm's issued grant check is different than the amount noted in the **qualification letter**, please call the Department of Accounts at (804) 371-8383.

RECORD KEEPING REQUIREMENTS





The Department may at any time review qualified zone businesses records related to qualification under this section to assure that information provided in the application process is accurate. Qualified zone businesses shall maintain all documentation regarding qualification for enterprise zone job creation grants for at least one year after the final year of their five-year grant period. **However, all JCG grantees are monitored for their first grant year.** Job creation grants that do not have adequate documentation regarding permanent full-time positions, wage rates and provision of health benefits may be subject to repayment by the qualified zone business.

JOB CREATION GRANTS

The chart below summarizes the eligibility criteria and grant amount available for the Job Creation Grants. The manual contains the following sections:

- General limitations of the grant
- Employees restricted from the grant calculations
- Preliminary information for business firms to collect in order to assess if they are eligible to apply for the grant
- Grant submission requirements and instructions on completing each required application component

Job Creation Grants are based on net new permanent full-time job creation exceeding a four-job threshold. Grant eligible positions are those positions over the four-job threshold with wages of at least 175% of the federal minimum wage or 150% of federal minimum wage in HUAs and the availability of health benefits. Firms can receive grants for up to 350 grant eligible positions per year.

 Grant Restrictions	<p>The following are prohibited from applying for the Job Creation Grants:</p> <ul style="list-style-type: none"> ▪ Units of local, state, or federal government ▪ Personal service, food and beverage, and retail positions (<i>as defined in Glossary</i>) ▪ Non-profits, other than those classified as NAICS 813910 and 813920
 Eligibility Requirements	<ul style="list-style-type: none"> ▪ The business firm must be located in a Virginia Enterprise Zone. ▪ Business firms must create at least four net new permanent full-time positions over the base calendar year. ▪ The net new permanent full-time positions created over the four-job threshold must meet the wage (at least 175% of federal minimum wage or 150% of federal minimum wage in HUAs) and health benefits requirement (at least 50% of employee's premium is paid by the employer).
 Term	<ul style="list-style-type: none"> ▪ Grants are available for a five-consecutive year qualification period. ▪ To be eligible for Job Creation Grants in years two through five of the grant cycle, a business firm must have net new permanent full-time positions above the four-job threshold. ▪ Firms may apply for subsequent five-year terms, given they meet the grant eligibility requirements. The first year this will be possible is 2012. Please reference the appendix for more information.
 Amount	<p>The dollar amount of the Job Creation Grants is determined by the wages of the grant eligible positions.</p> <p>Grants are available in amounts of:</p> <ul style="list-style-type: none"> ▪ Up to \$500 per grant eligible position filled by an employee earning at least 175% of the federal minimum wage or 150% of federal minimum wage in HUAs and offered health benefits. ▪ Up to \$800 per grant eligible position filled by an employee earning 200% of the federal minimum wage and offered health benefits.

General Limitations

- A firm can receive Job Creation Grants for a maximum of 350 [grant eligible positions](#) per year.
 - Firms with multiple locations in Enterprise Zones can only receive Job Creation Grants for a maximum of 350 positions.
- Currently, a business firm may not receive both Job Creation Grants and the Major Business Facility Tax Credit.
- Businesses that started qualification for the General Income Tax Credit may initiate qualification for the Job Creation Grants. However, the business firm cannot receive the Tax Credits and Job Creation Grants for the same positions. *Contact DHCD at 804-371-7030 regarding this.*

Employment Restrictions

Job Creation Grants are awarded for the creation of net new permanent full-time positions meeting certain wage and health benefit requirements. Given the normal turnover of employees, it is possible that several employees will fill one permanent full-time position in any one calendar year. This is acceptable as long as it is not “job sharing” where two employees, each working part time, fill one position.

Employees filling the following positions cannot be included in the calculations of Job Creation Grants:

1. Those positions in [retail](#), [personal service](#), or [food and beverage services](#).
2. Those positions paying less than 175% of the [federal minimum wage](#) (\$12.69/hour) or 150% of federal minimum wage (\$10.88) in HUAs.
3. Those positions that are not offered health benefits in which 50% of the employee’s health insurance premium is paid by the business firm.
4. A position that previously existed in the Commonwealth.
5. Positions created by a business that is simultaneously closing facilities in other areas of the Commonwealth.
6. A person that was previously employed in the same job function in Virginia by a [related party](#), or a trade or business under [common control](#). (A person’s job function eliminated at a non-zone location and moved to an Enterprise Zone location).
7. A [seasonal](#), temporary, leased, or contract labor position.
8. An employee of a firm in Virginia who is [transferred](#) from outside a zone location to a zone location.

Permanent full-time position:

Means a person employed by a business firm, located within an Enterprise Zone, who is normally scheduled to work either a:

- Minimum of 35 hours per week for the entire normal year of the business firm’s operations, which a normal year must consist of at least 48 weeks;
- Minimum of 35 hours per week for a portion of the taxable year in which the employee was initially hired for or transferred to the business firm; or
- Minimum of 1,680 hours per year if the standard fringe benefits are paid by the business firm for the employee.

9. An employee whose previous job function qualified for a grant in connection with a different Enterprise Zone location on behalf of the taxpayer, a related job, or a trade or business under common control (cannot claim the same job twice).
10. An employee who was employed by an Enterprise Zone firm in Virginia and the trade or business was purchased by another taxpayer who continued its operation (not net new to Virginia).
11. A person whose position previously qualified for Enterprise Zone Residency-based Job Grants, Enterprise Zone General Income Tax Credits, or Enterprise Zone Investment Tax Credits.



Job Creation Grants: Preliminary Information

The following information should be gathered by the business firm to assess if they are eligible to apply for the Job Creation Grant.

- Confirm business location is within Enterprise Zone.
 - Contact the [Local Zone Administrator](#) for verification of zone location.
 - Contact information is located at <https://dmz1.dhcd.virginia.gov/EZApplication/>.
- Make sure business and positions are not restricted from applying for grant. *See [chart of activity numbers](#) for a listing of NAICS codes. Those restricted from applying are highlighted in red.*
 - Restricted positions:
 - Personal Service
 - Food and Beverage
 - Retail
 - Units of Local, State, or Federal Government, typically have FEIN beginning with 54600
- Determine the [base year](#) for which the business firm is claiming an increase in employment.
 - Firm may use either of the two calendar years immediately preceding its first year of grant eligibility as its base year. This allows a business the discretion to select a base year with lower employment to maximize its grant benefits.
 - Companies new to Virginia within the past two years will have a base year of zero.
 - The base year will remain the same for each five-year consecutive period.
 - Please see the [Appendix B](#) for instructions on how to qualify for a second or subsequent five-year grant period.

Employment Specifications

The grant amount will be *pro-rated* based on the number of full months of the grant year in which the employee met the wage and health benefit requirement in the following cases in which the grant eligible employee:


- Was employed less than 12 months during the grant year.
- Met the wage and health benefits requirements less than 12 full months
- Wage changes or the federal minimum wage changes during the qualification year

- Determine if business firm has created at least four net new [permanent full-time positions](#) (as defined on the text box on page 8) over the established base year.
 - Use the employee's **I-9** to verify the start date of permanent full-time employment for all permanent full-time positions in the base year and grant year and identify which permanent full-time positions are net new after the base year.

- Determine which of the grant eligible positions (i.e. new positions over the four-job threshold) that meet the wage and health benefit requirements.
 - Gather **first and last payroll records** for each employee for the base year and grant year.
 - Identify employees with hourly wage rates of at least 175% (150% in HUAs) of federal minimum wage.
 - For firms with high employee turnover, each permanent full-time position may be filled by multiple employees during a given grant year.
 - **Health benefits information:** Verify that employees meeting the wage requirements **were offered health insurance coverage**, in which firm pays at least 50% of health insurance premium based on health benefits agreement signed by the employee.
 - Health insurance **waivers must be collected from** those employees filing grant eligible **positions that decline the health insurance**.

- Contact an [independent](#) CPA licensed in the state of Virginia to determine if he/she can complete the [Agreed Upon Procedures](#) (available at <https://dmz1.dhcd.virginia.gov/EZApplication/>) as part of the grant application.

2012 Job Creation Grant Timeline	
▪	April 2nd —Applicant submits application materials to DHCD
▪	May 15th —DHCD notifies applicant of deficiencies
▪	June 1st —Applicant resubmits, if necessary, and deficiencies are resolved
▪	June 30th —DHCD notifies applicant of qualification
▪	July —Virginia Department of Treasury sends Enterprise Zone Grant check to applicant

Job Creation Grant Submission Materials	
<i>Application Forms*</i>	<i>Deadline</i>
<ul style="list-style-type: none"> ▪ JCG Worksheet ▪ Form EZ-JCG ▪ W-9 ▪ CPA Attestation Report Form 	 <p>All of the listed applications are due by close of business to DHCD on April 2, 2012.</p> <p>Applicants must send original application materials using one of the following mechanisms: 1) United States Postal Service certified mail, return receipt requested and postmarked no later than April 2nd; 2) UPS, Fed Ex or other services where shipping can be tracked with a shipped date no later than April 2nd. Hand delivery is accepted but not preferred and must be received by DHCD by the close of business on April 2nd.</p>

* The JCG Worksheet and required application forms are available online at <https://dmz1.dhcd.virginia.gov/EZApplication/>

Online Submission -Required

Online submission of the application (Form EZ-JCG) is **required** as it allows for more efficient processing of applications. Once the application is submitted online, applicants will receive an email confirming the successful submission of the application.


Printed and signed copies of the EZ-JCG form, the CPA Attestation Report Form and any other required supplemental form **must be submitted to DHCD no later than April 2, 2012.** Applicants can print the completed application from the online submission webpage.

Please note that while you are no longer required to submit the JCG worksheet you are required to use it for completing the application and a hard copy must be kept on file with your other grant request documentation.

Each of the listed application forms and step-by-step instructions for completing the JCG worksheet and Form EZ-JCG are included on the following pages.


JCG Worksheet: Step-by Step Instructions

Qualified zone businesses shall maintain all documentation regarding qualification for enterprise zone job creation grants for at least one year after the final year of their five-year grant period. One of the documents that DHCD requires that the qualified zone business maintain, but not submit, is the JCG Worksheet. **The JCG Worksheet must be used to complete the application and the electronic version along with a hard copy print out must be kept on file with other grant request documentation. Job creation grants that do not have adequate documentation regarding permanent full-time positions, wage rates and provision of health benefits may be subject to repayment by the qualified zone business.**

 **My business is not a retail business, but I have retail positions. Is my firm eligible for the Job Creation Grants?**

If your business firm is not a retail business, you can only include those positions that are not retail, food/beverage, or personal service positions for the purposes of qualifying for the Job Creation Grant.

Once the business firm collects the preliminary information listed on pages 10-12 and determines that the firm is eligible to apply for the Job Creation Grant, the business firm will then need to complete the JCG Worksheet. This worksheet generates the qualification information and hence, dollar amount of the grant requests. The JCG Worksheet is used to determine the number of Job Creation Grant grant-eligible positions. The amount of the grant is based on the wages each of those positions earned during the full months they were employed in the grant year.

The JCG worksheet documents information on the employees filling the permanent full time positions and hourly wage rates of the employees hired in the grant year. Based on the work dates and applicable wage rates entered for the net new positions, the remainder of the qualification information is automatically calculated within the worksheet. The automatic calculation/pre-programmed functions of the worksheet are denoted with the following icon: 

The JCG Worksheet Excel templates are available at <https://dmz1.dhcd.virginia.gov/EZApplication/>. **(Note: Businesses in HUAs must use the HUA JCG Worksheet.)**

- *Page 1 of Worksheet:* On page 1 of the worksheet, the business firm representative must provide his/her signature verifying the following:
 - No retail, food or beverage, or personal service positions are listed on the worksheet
 - All the employees listed for the base or grant year are filling permanent full-time positions and not churned.
 - The employees listed for the base year and/or grant year on the worksheet meet the report to work requirement.
- *Determine the Grant Year*


This is the calendar year for which the firm is requesting Job Creation Grants. The worksheet is pre-programmed with the 2011 calendar year as the grant year.
- *Determine the Base Year*

The base year is either of the two calendar years immediately preceding a business firm's first year of grant eligibility. Between these two years, more than four net new permanent full-time positions must have been created. The base year remains the same for each year of the five-year qualification period. Please see [Appendix B](#) for

instructions on how to qualify for a second or subsequent five-year grant period. *First time applicants must enter in the selected base year in the Column F header (to replace the YYYY). For applicants within their second or third year of qualification, the base year remains the same as the first qualification period and should also be entered in place of the YYYY in the Column F header.*

Columns A-D of JCG Worksheet: Employees Filling Permanent Full-Time Positions

Employees Filling Permanent Full-Time Positions			
Employee Number	Included in CPA Sample Y/N	Employee Name	Last 4 digits of SSN
1		Niels Bohr	2222
2		Rachel Carson	1115
3		Margaret Cavendish	8888
4		Francis Crick	2222
5		Marie Curies	1113
6	g	John Dalton	1117
7		Charles Darwin	9999
8	g	Albert Einstein	1111
9	g	Paul Erlich	1112
10	g	Enrico Fermi	4444
11	g	Enrico Fermi	4444
12	g	Ben Franklin	1116
13	g	Robert Hooke	1118
14	g	Mary Leakey	6666
15	g	Richard Leakey	5555
16	g	Barbara McClintock	2223
17	g	Isaac Newton	1119
18	g	Isaac Newton	1119
19	g	Linus Pauling	1114

 If my business is in a HUA do I have to use a different JCG worksheet?

Yes. DHCD has developed a separate worksheet to reflected the reduce wage threshold of 150% of federal minimum wage to qualify for the \$500 grant.

1. Column C, "Employee Name": List all employees filling permanent full-time positions (EF-PFTPs) in the base year (in alphabetical order) **first** followed by EF-PFTPs in the grant year (in alphabetical order).

- List all EF-PFTPs that worked for the firm in the base year and/or the grant year **listing base year employees first even if they also worked in grant year.**

- Please note that applicants are unable to use the "sort" function in Excel to alphabetize the employees' names because the cells are locked. The worksheet has a function that highlights cells in red when it finds duplicate names and/or SSNs. It will highlight names that have been listed more than once by accident **as well as those** that have been listed more than once for the reasons described in the text box below.

- Include every EF-PFTP that worked for the firm in a permanent full-time capacity to perform some type of job function regardless of how long he or she was employed. This could be one day, one week, one month, one year, one decade, etc.
- All EF-PFTPs that worked during this time period must be included on the list.
- This base year employment information will be used as part of the application for each of the five grant years.

2. Column D, "Last 4 Digits of SSN": Enter in the last 4 digits of employees' (listed in Column C) social security number.

Employees should only be listed once on the JCG worksheet UNLESS:

- They have worked two or more separate times in a single base or grant year.
- The employee's **wage fluctuated during the grant year** (and the employee was hired in the grant year).

In order to get the full number of months that the employee worked at the position, you will need to include one row, showing the start date and end date, for each separate employment period (or wage fluctuation) based on the employee's I-9 or payroll record documentation.

In the template above, Enrico Fermi is listed twice due to a wage fluctuation and Isaac Newton is also listed twice because he was employed during two separate time periods within the grant year.

* With the exception of food and beverage, retail, and personal service positions. Such positions should NOT be included on this worksheet.

3. Column B, "Included in CPA Sample Y/N": *CPA must indicate which employees have been selected to be sampled through preparation of the Attestation Report Form. This is the final step of the worksheet.*

Columns E-V of JCG Worksheet: Base and Grant Year Employment

To complete this portion of the JCG worksheet, use the employees' payroll record documentation and I-9's.


A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Employees Filling Permanent Full-Time Positions						Base Year (2009)			Current Grant Year (GY): 2010					Vage Classification for Net New Positions			
Employee Number	Included in CPA Sample Y/N	Employee Name	Last 4 digits of SSN	First work date in base year	Last work date in base year	Months the EF-PFTP worked in Base Year	First work date in grant year 2010	Last work date in grant year 2010	Months the EF PFTP worked in Grant Year	Offered Health Benefits Y / N	Hourly wage Rate for Employees listed in ONLY Grant Year	PFTP in GY not grant eligible (not new in grant year or not meeting wage & health benefit requirement)	New EF PFTP in GY earning at least \$12.69/hr but less than \$14.50/hr	New EF PFTP in GY earning at least \$14.50/hr			
1		Niels Bohr	2221	09/23/09	12/23/09	4.04	01/01/10	12/23/10	12.00								
2		Rachel Carson	1115	01/01/09	12/23/09	12.00	01/01/10	12/23/10	12.00								
3		Margaret Cavendish	8888	12/27/09	12/23/09	0.16	01/01/10	12/21/10	11.38								
4		Francis Crick	2222	01/01/09	01/25/09	0.82			0.00								
5		Marie Curie	1113	06/01/09	12/23/09	7.04	01/01/10	08/14/10	7.43								
6	y	John Dalton	1117			0.00	05/01/10	10/25/10	5.85	y	12.55						
7	y	Charles Darwin	9999			0.00	02/01/10	12/23/10	10.98	n							
8	y	Albert Einstein	1111			0.00	01/01/10	12/23/10	12.00	y	13.40						
9	y	Paul Erlich	1112			0.00	03/01/10	08/09/10	5.33	y	13.40						
10	y	Enrico Fermi	4444			0.00	01/01/10	08/01/10	7.00	y	18.55						
11	y	Isaac Newton	4444			0.00	08/02/09	12/23/10	17.00	y	12.55						
12	y	Ben Franklin	1116			0.00	01/01/10	12/23/10	12.00	y	13.40						
13	y	Robert Hooke	1118			0.00	03/01/10	12/23/10	10.06	y	10.55						
14	y	Mary Leakey	6666			0.00	01/01/10	12/23/10	12.00	y	13.40						
15	y	Richard Leakey	5555			0.00	01/01/10	12/23/10	12.00	n							
16	y	Barbara McClintock	2223			0.00	10/22/10	12/23/10	2.33	y	13.40						
17	y	Isaac Newton	1113			0.00	01/01/10	03/01/10	1.97	y	18.55						
18	y	Isaac Newton	1113			0.00	05/01/10	11/10/2010	6.41	y	12.55						
19	y	Linus Pauling	1114			0.00	07/01/10	12/23/10	6.05	y	18.55						

4. Column E, "First work date in base year": *Enter first work date of EF-PFTP in base year.*

- For employees who were only employed during the grant year, Columns E and F should be left blank.

- For example, in the template, John Dalton was only employed in the grant year (2011). For this reason, Columns E and F are left blank for the row pertaining to his base year work dates.


5. Column F, "Last work date in base year": *Enter last work date of EF-PFTP in base year.*

 The full months worked in the base year (Column I) for each employee filling a permanent full-time position will be automatically calculated.

6. Column J, "First work date in grant year 2011": *Enter the first work date of EF-PFTP in the grant year.*

- For employees who were only employed in the base year and not during the grant year, Columns J and K should be left blank.
- For example, in the template, Francis Crick was only employed in the base year. For this reason, Columns J and K are left blank for the row pertaining to his work dates.

7. Column K, "Last work date in grant year 2011": *Enter in the last work date of EF-PFTP.*

 The full months worked in the grant year (Column M) for each employee filling a permanent full-time position will be automatically calculated.

Please note the following new settings in the worksheet:

- The cells and formulas within the worksheet are **locked** meaning the applicant can only enter in information where requested; no formulas can be overridden.
- Some columns are **hidden** (in order for the auto-calculations to function) and are therefore not visible to the user.
- For any dates entered in the grant year that do not end in 2011, the cells will highlight in **red**—please correct the dates to reflect the correct grant year.
- The worksheet has a function that highlights cells in red when it finds duplicates and/or SSNs. It will highlight names that have been listed more than once by accident **as well as those** that have been listed more than once for the reasons described in the text box below.
- All the **shaded** columns in the worksheet automatically populate; the applicant only has to enter in values in the non-shaded columns.

Columns W-X of JCG Worksheet: Health Benefits Status and Hourly Wage Rate for Grant Year Employees

8. Column N, “Offered Health Benefits Y/N” For the employees listed only in the grant year, indicate their health benefits status.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Employees Filling Permanent Full-Time Positions						Base Year (2009)			Current Grant Year (GY): 2010				Wage Classification for Net New Positions				
Employee Number	Included in CPA Sample Y/N	Employee Name	Last 4 digits of SSN	First work date in base year	Last work date in base year	Months the EF-PFTP worked in Base Year	First work date in grant year 2010	Last work date in grant year 2010	Months the EF PFTP worked in Grant Year	Offered Health Benefits Y / N	Hourly wage Rate for Employees listed in ONLY Grant Year	PFTP in GY not grant eligible (not new in grant year or not meeting wage & health benefit requirement)	New EF PFTP in GY earning at least \$12.69/hr but less than \$14.50/hr	New EF PFTP in GY earning at least \$14.50/hr			
1		Niels Bohr	2221	08/23/09	12/31/09	4.04	01/01/10	12/31/10	12.00			12.00	0.00	0.00			
2		Rachel Carson	1115	01/01/09	12/31/09	12.00	01/01/10	12/31/10	12.00			12.00	0.00	0.00			
3		Margaret Cavendish	8888	12/27/09	12/31/09	0.16	01/01/10	12/12/10	11.38			11.38	0.00	0.00			
4		Francis Crick	2222	01/01/09	01/25/09	0.82			0.00			0.00	0.00	0.00			
5		Marie Curie	1113	06/01/09	12/31/09	7.04	01/01/10	08/14/10	7.43			7.43	0.00	0.00			
6	y	John Dalton	1117			0.00	05/01/10	10/25/10	5.85	y	12.55	5.85	0.00	0.00			
7		Charles Darwin	9999			0.00	02/01/10	12/31/10	10.98	n		10.98	0.00	0.00			
8	y	Albert Einstein	1111			0.00	01/01/10	12/31/10	12.00	y	13.40	0.00	12.00	0.00			
9	y	Paul Erlich	1112			0.00	03/01/10	08/03/10	5.33	y	13.40	0.00	5.33	0.00			
10	y	Enrico Fermi	4444			0.00	01/01/10	08/01/10	7.00	y	16.55	0.00	0.00	7.00			
11	y	Benjamin Franklin	4444			0.00	08/02/09	12/31/10	17.00	y	12.55	17.00	0.00	0.00			
12	y	Ben Franklin	1116			0.00	01/01/10	12/31/10	12.00	y	13.40	0.00	12.00	0.00			
13	y	Robert Hooke	1118			0.00	03/01/10	12/31/10	10.06	y	16.55	0.00	0.00	10.06			
14	y	Mary Leakey	6666			0.00	01/01/10	12/31/10	12.00	y	13.40	0.00	12.00	0.00			
15	y	Richard Leakey	5555			0.00	01/01/10	12/31/10	12.00	n		12.00	0.00	0.00			
16	y	Barbara McClintock	2223			0.00	10/22/10	12/31/10	2.33	y	13.40	0.00	2.33	0.00			
17	y	Isaac Newton	1119			0.00	01/01/10	03/01/10	1.97	y	16.55	0.00	0.00	1.97			
18	y	Isaac Newton	1119			0.00	05/01/10	11/12/10	6.41	y	12.55	6.41	0.00	0.00			
19	y	Linus Pauling	1114			0.00	07/01/10	12/31/10	6.05	y	16.55	0.00	0.00	6.05			

- “Y” indicates the employee received or was offered [health benefits](#); “N” indicates the employee did not receive or was not offered health benefits.
- Column N should be left blank for any employees listed in only the base year or in both the base and grant year.



For any (new to the grant year) employees that did not receive or were not offered health benefits, the applicable wage column (O) is programmed to shade in black. This indicates NOT to enter in the wage rate for those employees since, regardless of their wage rate, they are not grant eligible.

9. Column O, “Hourly wage rate for Employees listed ONLY in Grant Year” Enter in the hourly wage rate for the employees listed only in the grant year and who received or were offered [health benefits](#).

If an employee received raises (or a decrease in pay) during the grant year, they **MUST be listed on a separate line** in the JCG Worksheet for each wage fluctuation. **DO NOT** use their average wage rate **OR** their ending wage rate. Doing so **creates calculation errors that typically result in overpayment** to the grantee by the Commonwealth. The Department has already had several instances of this and has required the grantees to repay the funds to which they were not entitled. The CPA Agreed Upon Procedures were established to identify such errors and they should be carried out diligently.

If an employee’s grant year **wage rates are over \$14.50**, any subsequent raises would not need to be recorded on the spreadsheet because it will not impact the calculation of the grant amount.



For any employees listed only in the base year or in both the base year and grant year, the worksheet is programmed to shade the applicable wage cell in black. This indicates NOT to enter in a wage for such employees since they are not net new positions.

- In the template, Niels Bohr, Rachel Carson, Margaret Cavendish, and Francis Crick were either only employed in the base year or in both the base and grant year. As such, their corresponding wage rates are not listed and the cells are shaded in black. Also, Charles Darwin and Richard Leakey did not receive health benefits. Their corresponding wage rates are not listed and the cells are auto-shaded in black.

Only wages for the employees hired in the grant year and who received or were offered health benefits should be provided.


Columns Y-AC of JCG Worksheet: Wage Classification for Net New Positions

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Employees Filling Permanent Full-Time Positions						Base Year (2009)			Current Grant Year (GY): 2010					Wage Classification for Net New Positions			
Employee Number	Included in CPA Sample Y/N	Employee Name	Last 4 digits of SSN	First work date in base year	Last work date in base year	Months the EF-PFTP worked in Base Year	First work date in grant year 2010	Last work date in grant year 2010	Months the EF PFTP worked in Grant Year	Offered Health Benefits Y / N	Hourly wage Rate for Employees listed in ONLY Grant Year	PFTP in GY not grant eligible (not new in grant year or not meeting wage & health benefit requirement)	New EF PFTP in GY earning at least \$12.69/hr but less than \$14.50/hr	New EF PFTP in GY earning at least \$14.50/hr			
1		Niels Bohr	2221	08/31/09	12/31/09	4.04	01/01/10	12/31/10	12.00			12.00	0.00	0.00			
2		Rachel Carson	1115	01/01/09	12/31/09	12.00	01/01/10	12/31/10	12.00			12.00	0.00	0.00			
3		Margaret Cavendish	8888	12/27/09	12/31/09	0.16	01/01/10	12/31/10	11.38			11.38	0.00	0.00			
4		Francis Crick	2222	01/01/09	01/25/09	0.82			0.00			0.00	0.00	0.00			
5		Marie Curie	1113	06/01/09	12/31/09	7.04	01/01/10	08/14/10	7.43			7.43	0.00	0.00			
6	y	John Dalton	1117			0.00	05/01/10	10/25/10	5.85	y	12.55	5.85	0.00	0.00			
7	y	Charles Darwin	9999			0.00	02/01/10	12/31/10	10.98	n		10.98	0.00	0.00			
8	y	Albert Einstein	1111			0.00	01/01/10	12/31/10	12.00	y	13.40	0.00	12.00	0.00			
9	y	Paul Erlich	1112			0.00	03/01/10	08/09/10	5.33	y	13.40	0.00	5.33	0.00			
10	y	Enrico Fermi	4444			0.00	01/01/10	08/01/10	7.00	y	18.55	0.00	0.00	7.00			
11	y	Enrico Fermi	4444			0.00	08/02/09	12/31/10	17.00	y	12.55	17.00	0.00	0.00			
12	y	Ben Franklin	1116			0.00	01/01/10	12/31/10	12.00	y	13.40	0.00	12.00	0.00			
13	y	Robert Hooke	1118			0.00	03/01/10	12/31/10	10.06	y	18.55	0.00	0.00	10.06			
14	y	Mary Leakey	6666			0.00	01/01/10	12/31/10	12.00	y	13.40	0.00	12.00	0.00			
15	y	Richard Leakey	5555			0.00	01/01/10	12/31/10	12.00	n		12.00	0.00	0.00			
16	y	Barbara McClintock	2223			0.00	10/22/10	12/31/10	2.33	y	13.40	0.00	2.33	0.00			
17	y	Isaac Newton	1119			0.00	01/01/10	03/01/10	1.97	y	18.55	0.00	0.00	1.97			
18	y	Isaac Newton	1119			0.00	05/01/10	11/10/2010	6.41	y	12.55	6.41	0.00	0.00			
19	y	Linus Pauling	1114			0.00	07/01/10	12/31/10	6.05	y	18.55	0.00	0.00	6.05			



Based on the wages entered for the grant year employees filling permanent full-time positions, all the Columns P-R auto-populate such that the applicant does not have to distribute the total number of months for which employees met the 175% (or 150% in HUAs) or 200% of the federal minimum wage grant eligibility requirement.

Second Sheet within the JCG Worksheet: Values to be Entered in Form EZ-JCG

 Once the applicant enters in the hourly wage rates, the remaining columns will auto-populate and the qualification information requested in the Form EZ-JCG is automatically calculated in the second sheet/tab within the JCG worksheet. The table in this second sheet lists the form references for which the values should be entered.

When printing a hard copy of the JCG Worksheet for your grant documentation files, follow the formatting and printing instructions specified on third sheet/tab of the worksheet.

Form EZ-JCG

The following pages include guidelines, by application section, for completing Form EZ-JCG.



PART I: BACKGROUND INFORMATION

Directions (in *italics*) are included below for each item (in **bold**) from the background information section of the Form EZ-JCG.

PART I: BACKGROUND INFORMATION			
1. Business Firm Legal Name <div style="border: 1px solid black; height: 15px; width: 90%;"></div>	2. Trading Name, if Different than Legal Name <div style="border: 1px solid black; height: 15px; width: 90%;"></div>	3. Date Bus. began Operation in Zone <div style="border: 1px solid black; height: 15px; width: 90%;"></div>	
4. Federal Employment ID# (FEIN) <div style="border: 1px solid black; height: 15px; width: 90%;"></div>	5. Activity # (First three digits of the NAICS. See Instruction Manual.) <div style="border: 1px solid black; height: 15px; width: 90%;"></div>		
6. Physical Address of Zone Establishment <div style="border: 1px solid black; height: 15px; width: 90%;"></div>		City/County/Town <div style="border: 1px solid black; height: 15px; width: 90%;"></div>	
7. Type of Application <div style="border: 1px solid black; height: 15px; width: 90%;"></div> <input type="checkbox"/> Standard <input type="checkbox"/> High Unemployment Area (HUA)		8. Type of Job Creation Made by the Applicant <div style="border: 1px solid black; height: 15px; width: 90%;"></div> <input type="checkbox"/> Expansion of an existing firm <input type="checkbox"/> New firm (start up) <input type="checkbox"/> Relocation of a firm from outside Virginia <input type="checkbox"/> Relocation and expansion of a firm within Virginia <small>Note: Firms cannot apply if simultaneously closing facility in Virginia or if not creating net new (to Virginia) permanent full-time positions.</small>	
9. Federal Employment ID# (FEIN) of Parent Company <div style="border: 1px solid black; height: 15px; width: 90%;"></div>		10. If the Firm is a Subsidiary, Name of the Parent Company <div style="border: 1px solid black; height: 15px; width: 90%;"></div>	
11. Zone Name <div style="border: 1px solid black; height: 15px; width: 90%;"></div>	12. Zone # <div style="border: 1px solid black; height: 15px; width: 90%;"></div>	13. Zone Designation Date <div style="border: 1px solid black; height: 15px; width: 90%;"></div>	14. Name of Local Zone Administrator <div style="border: 1px solid black; height: 15px; width: 90%;"></div>
15. Signature of Local Zone Administrator verifying that physical address listed on EZ-JCG Part I item 6 is in the enterprise zone identified in item 11 above and if marked as a HUA application is eligible to be processed as such. <div style="border: 1px solid black; height: 15px; width: 90%;"></div>			
Date <div style="border: 1px solid black; height: 15px; width: 40px;"></div>			

5. Activity #: *Indicate the three-digit activity number that applies to the applicant's business type.*

1. A [chart of activity numbers](#) is located on page 25.
2. If your firm's activity number is highlighted in red in the chart, your firm is engaged in retail, personal service or food/beverage services and such positions are not grant eligible.

1. Business Firm's Legal Name: *Indicate the applicant's legal business name.*

2. Trading Name: *Indicate the applicant's trading name, if different than its legal name.*

3. Date Business Began Operation in Zone: *Indicate the month, day, and year the applicant started operating its business at the zone establishment.*

4. Federal Employment ID# (FEIN): *Indicate the applicant's nine-digit Federal Employment Identification Number*

5. See text box above.

6. Physical Address of Zone Establishment: *Indicate the physical location of the applicant's business operation.*

7. Check the type of application.

8. Check the type of job creation made by the applicant:

For applicants selecting "Relocation and expansion of firm within Virginia," make sure the positions are not restricted from the Job Creation Grant, as specified on Employment Restrictions, pages 9-10, #5-10.

9-10. FEIN of Parent Company and If Firm is Subsidiary, Name of Parent Company: *If the business firm is a subsidiary, list the FEIN (#9) and the name of the Parent Company (#10).*

11-13. Zone Name, Zone #, Zone Designation Date: *Indicate the Enterprise Zone in which the business is located.*

- Once the zone name is entered online (#11), the corresponding zone number field (#12) and zone designation date (#13) automatically populates.
- Contact information, zone name and the zone number is available at <https://dmz1.dhcd.virginia.gov/EZApplication/>.

14. Name of Local Zone Administrator: As listed on the online contact information list of local zone administrators (available at <https://dmz1.dhcd.virginia.gov/EZApplication/>), *state the name of the local zone administrator.*

15. Zone Verification: *The signature of the local zone administrator is required and the application must be signed and submitted by the April 2nd deadline.*

- The signature of the local zone administrator verifies that the applicant is located within the Enterprise Zone stated on #11 and if marked as a HUA application is eligible to be processed as such.



PART II: QUALIFICATION INFORMATION

Values to complete #4 and #5 are highlighted within the text of the form's snapshot.

PART II: QUALIFICATION INFORMATION

In order to calculate the number of grant eligible employees and determine the applicable grant amount, please complete the JCG Worksheet prior to completing this section. Values on the JCG Worksheet are used to complete #4 and #5 below (indicated in italics below).

- Grant is requested for calendar year 2011.
- Check year of qualification. ☐ YR 1 ☐ YR 2 ☐ YR 3 ☐ YR 4 ☐ YR 5
- Base calendar year used by the business firm 2009 (YYYY). *The base year remains the same for the five years of qualification.*
- Grant Eligible Positions** (Net new positions over four job threshold; note: PFTP = Permanent full-time position.)

All documented jobs must exclude positions in retail, food and beverage, and personal service.

A. # of all equivalent PFTP filled by the firm during the BASE year. (Sheet 2 of JCG Worksheet, Cell B3)	A. <input type="text"/>
B. # of all equivalent PFTP filled by the firm during the GRANT year. (Sheet 2 of JCG Worksheet, Cell B4)	B. <input type="text"/>
C. Increase in the # of equivalent PFTP created over the base year. Subtract line (A) from line (B).	C. <input type="text"/>
D. Net new jobs created over four net new job threshold. Subtract 4 from line (C). <i>Note: if line (C) is equal to or less than 4, the firm will not qualify for job creation grants.</i>	D. <input type="text"/>

3. **Base year** is one of the two calendar years immediately preceding the first grant year (at the choice of the applicant).



Auto-calculated on the online application based on values entered in 4A-B and 5E-F.


Grant Eligible Employees with Qualifying Wage Rates and Health Benefits

E. New eligible PFTP filled in grant year earning at least 200% of the federal minimum wage and offered health care benefits. • List total new grant year equivalent PFTP indicated on JCG worksheet (Sheet 2, Cell B6) meeting this requirement.	E. <input type="text"/>
F. New eligible PFTP filled in grant year earning at least 175% of the federal minimum wage (but less than 200%) and offered health care benefits. • List total new grant year equivalent PFTP indicated on JCG worksheet (Sheet 2, Cell B7) meeting this requirement.	F. <input type="text"/>
G. Number of new grant year PFTP meeting wage and health benefits requirements. • Add lines E and F.	G. <input type="text"/>

Based on the auto-calculated values in lines D and G, the online application populates the "Grant Requests" (lines 6A-C) using the following criteria:

If line D is greater than line G:	If line G is greater than line D:
<ul style="list-style-type: none"> Multiply value on E by \$800 and <i>enter total on line 6A.</i> Multiply value on F by \$500 and <i>enter total on line 6B.</i> 	<ul style="list-style-type: none"> <u>And, line E=0</u>, then: <ul style="list-style-type: none"> Multiply line D by \$500 and <i>enter total on line 6B and "0" on line 6A.</i> <u>And, line F=0</u>, then: <ul style="list-style-type: none"> Multiply line D by \$800 and <i>enter total on line 6A and "0" on line 6B.</i> <u>And, values on both line E and F</u>, then: <ul style="list-style-type: none"> Presuming line E is less than line D, multiply line E by \$800 and <i>enter total on line 6A.</i> Subtract line E from line D and multiply amount by \$500. <i>Enter total on line 6B.</i>

6. Grant Requests	
A. Requested job creation grant award for PFTP earning at least 200% of federal minimum wage and offered health care benefits. ▪ Using above procedures, multiply appropriate number by \$800	A. \$ <input type="text"/>
B. Requested job creation grant award for PFTP earning at least 175% of federal minimum wage (but less than 200% of the Federal minimum wage) and offered health care benefits. ▪ Using above procedures, multiply appropriate number by \$500	B. \$ <input type="text"/>
C. Total amount of job creation grants requested. ▪ Add lines A and B.	C. Line A + Line B

 Lines 6A-C are all auto-calculated on the online application.

Use the JCG worksheet, address any CPA Attestation concerns and electronically submit the application.

7. I used DHCD's JCG Worksheet template to complete this application. <input type="checkbox"/> Yes <input type="checkbox"/> No
8. I have reviewed the CPA Attestation Report and made any changes deemed necessary during their review of the EZ-JCG Worksheet. <input type="checkbox"/> Yes <input type="checkbox"/> No
9. This application has been submitted electronically. <input type="checkbox"/>



PART III: CONTACT INFORMATION

The business firm representation provides contact information for the grant applicant representative and his/her mailing address as well as contact information for the CPA who prepared the Attestation Report in this section.

PART III: CONTACT INFORMATION					
1. Name of Grant Applicant Representative					
Prefix (Mr., Ms., Dr.)	First Name	Last Name	Title	Daytime Phone # () -	E-mail Address
Principal Mailing Address (Address grant correspondence is mailed to)			City	State	Zip Code
2. Certified Public Accountant (preparer of required Attestation Report)					
Name of Certified Public Accountant		VA License #	Daytime Phone # () -	Email Address	
3. Accounting Firm		Street Address	City	State	Zip Code

The email address of the applicant representative is **required** as applicants will receive email confirmations/updates throughout the application submission and review process. See page 5 of this manual for more information.



PART IV: DECLARATION

The application must be signed and dated by a representative of the business firm that has made the management decisions necessary to complete the application and has reviewed the application and required attachments for accuracy and completion.

W-9

A completed W-9 form must be included with the grant application materials. The Commonwealth of Virginia requires an up-to-date W-9 in order to disburse incentive grants. The FEIN listed on the qualification application EZ-JCG must match the FEIN on the W-9. The incentive grants must be sent to the address on the W-9 even if it is different than the mailing address provide on the grant application. A blank W-9 is located on the DHCD website at <https://dmz1.dhcd.virginia.gov/EZApplication/>.



CPA Attestation Report

As required by the statute, a CPA, independent of the applicant and licensed by the State of Virginia, must perform the agreed upon procedures outlined by DHCD. The CPA will test certain documentation and calculations used to prepare the Job Creation Grant application and will report on these procedures and their findings in the Attestation Report. This report must be submitted on the DHCD Attestation Report Form, a copy of which can be found at <https://dmz1.dhcd.virginia.gov/EZApplication/>.

Contact your CPA to find out if they are able to fulfill the attestation requirements for the Job Creation Grant application. All CPAs should know if they are able to perform any agreed upon procedures. These procedures are available at <https://dmz1.dhcd.virginia.gov/EZApplication/>.



Can my CPA prepare the application and accompanying materials (worksheets) and attest?

The answer is a qualified yes. Professional standards (AICPA) and those of the Government Accountability Office (GAO) provide that an auditor cannot audit his or her own work but recognize that an auditor can provide assistance provided the audit organization does not make management decisions or perform management functions. The decision to follow any advice provided remains with management of the audited entity.

- Business firms with base year employment of 100 or fewer permanent full-time positions and create 25 or fewer grant eligible positions seeking to qualify for job creation grants are not required to submit the CPA Attestation report. **All other JCG and RPIGs attestation reports must be submitted by the April 2nd deadline.**



Application Submission Materials

The following materials must be submitted to apply for the Job Creation Grant:

- W-9 Form
- Form EZ-JCG
- CPA Attestation Report Form
- Supplemental Forms if required

All the listed application materials are due to DHCD by **April 2, 2012**. Any applications submitted without the required CPA Attestation Report Form or submitted after April 2nd (but before May 15th) will be held until the Department determines that funds remain and it will not have to pro-rate grant awards. At such time, the Department will review and process such applications on a first-come, first-serve basis.

Submit applications online by midnight (EST) April 2nd. *See page 5 of this manual for information on the updated online submission system.* Applicants must send original application materials using one of the following mechanisms: 1) United States Postal

Service certified mail, return receipt requested and postmarked no later than April 2nd; 2) UPS, Fed Ex or other services where shipping can be tracked with a shipped date no later than April 2nd. Hand delivery is accepted but not preferred and must be received by DHCD by the close of business on April 2nd.

If you have any questions on how to qualify or completing the applications, please contact us at: **(804) 371-7030** or email us at: EZONE@dhcd.virginia.gov

GLOSSARY: DEFINITIONS FOR JOB CREATION GRANTS

Agreed upon procedures engagement:

Means an engagement between an independent certified public accountant licensed by the Commonwealth and the business or qualified zone investor seeking to qualify for Enterprise Zone incentive grants whereby the independent certified public accountant, using procedures specified by the Department, will test and report on the assertion of the business or qualified zone investor as to their qualification to receive the Enterprise Zone incentive pursuant to 59.1-549 of the Code of Virginia.

Base year, for wage-based job creation grants:

Means either of the two calendar years immediately preceding a business firm's first year of grant eligibility, at the choice of the business firm.

Business firm:

Means any corporation, partnership, electing small business (subchapter S) corporation, limited liability company, or sole proprietorship authorized to do business in the Commonwealth of Virginia. This shall also include business and professional organizations and associations whose classification falls under sectors 813910 and 813910 of the North American Industry Classification System (NAICS) and that generate the majority of their revenue from customers outside the Commonwealth.

Common control:

Means such firms as defined by Internal Revenue Code § 52(b).

Federal minimum wage:

Means the minimum wage standard as currently defined by the United States Department of Labor in the Fair Labor Standards Act, 29, U.S.C. 201 et seq. Such definition applies to permanent full time employees paid on an hourly or wage basis.

Food and beverage service:

Means a business whose classification falls under subsector 722 Food Services and Drinking Places of North American Industry Classification Systems (NAICS).

Full month:

Means the number of days that the permanent full time position must be filled in order to count in the calculation of the grant amount. A full month is equivalent to 30.416666 days.

Grant eligible position:

Means a new permanent full time position created above the threshold number at an eligible business firm. Positions in retail, local service or food and beverage service shall not be grant eligible positions.

Health benefits:

Means that at a minimum medical insurance is offered to employees and the employer shall offer to pay at least 50 percent of the cost of the premium at the time of employment and annually thereafter.

High Unemployment Areas (HUA):

Means enterprise localities with an unemployment rates one and one-half times or more than state average based on the most recent annualized unemployment data published by the Virginia Employment Commission.

Independent certified public accountant:

Means a public accountant certified and licensed by the Commonwealth of Virginia who is not an employee of the business firm seeking to qualify for grants under this Program.

Local zone administrator:

Means the chief executive of the city or county, in which an enterprise zone is located, or his or her designee. Pursuant to enterprise zone designations made prior to July 1, 2005, this shall include towns.

Permanent full-time position:

Means a job of indefinite duration at a business firm located in an enterprise zone, requiring the employee to report to work within the enterprise zone; and requiring (i) a minimum of 35 hours of an employee's time per week for the entire normal year of a business firm's operation, which a normal year must consist of 48 weeks, (ii) a minimum of 35 hours of an employee's time per week for the portion of the calendar year in which the employee was initially hired for or transferred to the business firm, or (iii) a minimum of 1,680 hours per year. Such positions shall not include: (i) seasonal, temporary, or contract positions, (ii) a position created when a job function is shifted from an existing location in the Commonwealth to a business firm located with an enterprise zone, (iii) any position that previously existed in the Commonwealth, or (iv) positions created by a business that is simultaneously closing facilities in other areas of the Commonwealth.

Personal Service:

Means such positions as classified under NAICS 812.

Regular basis:

Means at least once a month as related to "report to work" requirements for the wage-based job creation grants.

Related party:

Means those as defined by Internal Revenue Code § 267(b).

Report to work:

Means that the employee filling a permanent full time position reports to the business' zone establishment on a regular basis.

Retail:

Means a business whose classification falls under sector 44-45 Retail Trade of the North American Industry Classification System (NAICS).

Seasonal employee:

Means any employee who normally works on a full time basis and whose customary annual employment is less than nine months. For example, individuals hired by a CPA firm during the tax return season in order to process returns and who work full-time over a three month period are seasonal employees.

Subsequent base year:

Means the base year for calculating the number of grant eligible positions in a second or subsequent five consecutive calendar year grant period. If a second or subsequent five-year grant period is requested within two years after the previous five-year grant period, the subsequent base year will be the last grant year. The calculation of this subsequent base year employment will be determined by the number of permanent full-time positions in the preceding base year, plus the number of threshold positions, plus the number of grant eligible positions in the final year of the previous grant period. If a business firm applies for subsequent five consecutive calendar year grant periods beyond the two years immediately following the completion of the previous five-year grant period, the business firm shall use one of the two preceding calendar years as subsequent base year, at the choice of the business firm.

Threshold number:

Means an increase of four permanent full time positions over the number of permanent full time positions in the base year or subsequent base year.

Transferred employee:

Means an employee of a firm in Virginia that is relocated to an enterprise zone facility owned or operated by that firm.

Wage rate:

Means the hourly wage paid to an employee inclusive of shift premiums and commissions. In the case of salaried employees, the hourly wage rate shall be determined by dividing the annual salary, inclusive of shift premiums and commissions by 1,820 hours. Bonuses, overtime, and tips are not to be included in the determination of wage rate.

CHART OF ACTIVITY NUMBERS

Agriculture, Forestry, Fishing and Hunting	
Activity Code	Subsector Description
<u>111</u>	Crop Production
<u>112</u>	Animal Production
<u>113</u>	Forestry and Logging
<u>114</u>	Fishing, Hunting and Trapping
<u>115</u>	Support Activities for Agriculture and Forestry
Mining	
Activity Code	Subsector Description
<u>211</u>	Oil and Gas Extraction
<u>212</u>	Mining (except Oil and Gas)
<u>213</u>	Support Activities for Mining
Utilities	
Activity Code	Subsector Description
<u>221</u>	Utilities
Construction	
Activity Code	Subsector Description
<u>236</u>	Building, Developing, and General Contracting
<u>237</u>	Heavy and Civil Engineering Construction
<u>238</u>	Special Trade Contractors
Manufacturing	
Activity Code	Subsector Description
<u>311</u>	Food Manufacturing
<u>312</u>	Beverage and Tobacco Product Manufacturing
<u>313</u>	Textile Mills
<u>314</u>	Textile Product Mills
<u>315</u>	Apparel Manufacturing
<u>316</u>	Leather and Allied Product Manufacturing
<u>321</u>	Wood Product Manufacturing
<u>322</u>	Paper Manufacturing
<u>323</u>	Printing and Related Support Activities
<u>324</u>	Petroleum and Coal Products Manufacturing
<u>325</u>	Chemical Manufacturing
<u>326</u>	Plastics and Rubber Products Manufacturing
<u>327</u>	Nonmetallic Mineral Product Manufacturing
<u>331</u>	Primary Metal Manufacturing
<u>332</u>	Fabricated Metal Product Manufacturing
<u>333</u>	Machinery Manufacturing
<u>334</u>	Computer and Electronic Product Manufacturing
<u>335</u>	Electrical Equipment, Appliance, and Component Manufacturing
<u>336</u>	Transportation Equipment Manufacturing
<u>337</u>	Furniture and Related Product Manufacturing
<u>339</u>	Miscellaneous Manufacturing

Wholesale Trade	
Activity Code	Subsector Description
423	Wholesale Trade, Durable Goods
424	Wholesale Trade, Nondurable Goods
425	Wholesale Electronic Markets and Agents and Brokers
Retail Trade - PROHIBITED FROM APPLYING FOR JOB CREATION GRANTS	
Activity Code	Subsector Description
441	Motor Vehicle and Parts Dealers
442	Furniture and Home Furnishings Stores
443	Electronics and Appliance Stores
444	Building Material and Garden Equipment and Supplies Dealers
445	Food and Beverage Stores
446	Health and Personal Care Stores
447	Gasoline Stations
448	Clothing and Clothing Accessories Stores
451	Sporting Goods, Hobby, Book, and Music Stores
452	General Merchandise Stores
453	Miscellaneous Store Retailers
454	Nonstore Retailers
Transportation and Warehousing	
Activity Code	Subsector Description
481	Air Transportation
482	Rail Transportation
483	Water Transportation
484	Truck Transportation
485	Transit and Ground Passenger Transportation
486	Pipeline Transportation
487	Scenic and Sightseeing Transportation
488	Support Activities for Transportation
491	Postal Service
492	Couriers and Messengers
493	Warehousing and Storage
Information	
Activity Code	Subsector Description
511	Publishing Industries
512	Motion Picture and Sound Recording Industries
515	Broadcasting and Telecommunications
517	Telecommunications
518	Data Processing Services, Hosting, and Related Services
519	Other Information Services
Finance and Insurance	
Activity Code	Subsector Description
521	Monetary Authorities - Central Bank
522	Credit Intermediation and Related Activities
523	Securities, Commodity Contracts, and Other Financial Investments and Related Activities
524	Insurance Carriers and Related Activities
525	Funds, Trusts, and Other Financial Vehicles
Real Estate and Rental and Leasing	

Activity Code	Subsector Description
531	Real Estate
532	Rental and Leasing Services
533	Lessors of Nonfinancial Intangible Assets (except Copyright)
Professional, Scientific, and Technical Services	
Activity Code	Subsector Description
541	Professional, Scientific, and Technical Services
Management of Companies and Enterprises	
Activity Code	Subsector Description
551	Management of Companies and Enterprises
Administrative and Support and Waste Management and Remediation Services	
Activity Code	Subsector Description
561	Administrative and Support Services
562	Waste Management and Remediation Services
Educational Services	
Activity Code	Subsector Description
611	Educational Services
Health Care and Social Assistance	
Activity Code	Subsector Description
621	Ambulatory Health Care Services
622	Hospitals
623	Nursing and Residential Care Facilities
624	Social Assistance
Arts, Entertainment, and Recreation	
Activity Code	Subsector Description
711	Performing Arts, Spectator Sports, and Related Industries
712	Museums, Historical Sites, and Similar Institutions
713	Amusement, Gambling, and Recreation Industries
Accommodation and Food Services	
Activity Code	Subsector Description
721	Accommodation
722	Food Services and Drinking Places-- PROHIBITED FROM APPLYING FOR JOB CREATION GRANTS
Other Services (except Public Administration)	
Activity Code	Subsector Description
811	Repair and Maintenance
812	Personal and Laundry Services--PROHIBITED FROM APPLYING FOR THE JOB CREATION GRANT
813	Religious, Grantmaking, Civic, Professional, and Similar
814	Private Households

APPENDIX

A. Updates to the JCG Worksheet for HUAs

A new column has been added to the JCG, HUA Worksheet to modify wage-range intervals. The new intervals are 150% - <175% of the federal minimum wage (Column Q), 175% - <200%, (Column R), and 200% + (Column S). You do not need to do anything differently when completing the worksheet. The changes are necessary in tracking the number of jobs created in these different wage ranges. On page two of the worksheet, totals from columns Q and R will be combined automatically in row 6.

Wage Classification for Net New Positions				
PFTP in GY	New EF PFTP in GY earning at least \$10.88/hr but less than \$12.69/hr	New EF PFTP in GY earning at least \$12.69/hr but less than \$14.50/hr	New EF PFTP in GY earning at least \$14.50/hr	
not grant eligible (not new in grant year or not meeting wage & health benefit requirement)				
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00

B. Requesting a Second or Subsequent five-year Job Creation Grant Period

Business firms who have finished their first 5-year incentive period may qualify for a [subsequent grant period](#) provided that they are still creating new jobs eligible to receive Job Creation Grants.

If a second or subsequent five-year grant period is requested within two years after the previous five-year grant period, the subsequent base year will be the last grant year.

If a business firm applies for subsequent five consecutive calendar-year grant periods beyond the two years immediately following the completion of the previous five-year grant period, the business firm shall use one of the two preceding calendar years as subsequent base year, at the choice of the business firm.

If you have any questions about qualifying for the Enterprise Zone grants or other aspects of the program, please contact:

Virginia Department of Housing and Community Development
600 E. Main Street, Suite 300
Richmond, Virginia 23219
(804) 371-7030

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